

Mechanical Amusement Device (MAD) Tax

An occupation tax is imposed on operators and distributors of mechanical amusement devices, such as coin-operated video games. All proceeds are credited to the General Fund.

of each year and \$20 per machine placed in operation after July 1 of each year.

The occupation tax is \$35 per device placed in operation prior to July 1

Table 9 – MAD Tax Receipts

	2006	2005	2004	2003
January	\$51,510	\$52,780	\$43,184	\$40,110
February	13,215	6,385	17,915	136,595
March	4,050	6,550	6,715	4,215
April	12,615	4,724	5,225	-123,770
May	6,140	5,306	5,575	6,240
June	4,733	5,700	5,494	1,995
July	4,487	7,135	5,134	5,000
August	4,285	2,510	3,360	2,580
September	2,850	3,255	3,585	3,570
October	2,500	940	515	1,615
November	194,932	201,069	120,724	112,310
December	213,476	192,125	270,655	286,920
Total	\$514,793	\$488,479	\$488,081	\$477,380

Severance Tax

Severance tax is levied upon the value of oil and gas severed or removed from the land. Oil and gas taken from stripper and nonstripper wells are subject to the tax. The tax is paid by every person severing oil or natural gas from land in Nebraska unless the severed oil or natural gas is sold in Nebraska. If the oil or gas is sold in Nebraska, then the first purchaser in Nebraska pays the tax.

The severance tax rate is 3% of the value of the nonstripper oil, 3% of the value of the natural gas, and 2% of the value of stripper oil.

Tax on oil or gas severed from public school lands is credited to the Permanent School Fund. For oil or gas severed from all other lands,

1% of the gross tax receipts is credited to the Severance Tax Administration Fund, up to \$300,000 may be appropriated by the legislature to the State Energy Office Cash Fund, up to \$30,000 may be appropriated to the Governor's Policy Research Office, and the remainder is credited to the Permanent School Fund.

Table 10 – Severance Tax Receipts

	2006	2005	2004	2003
January	\$333,832	\$178,349	\$123,825	\$125,624
February	209,991	187,142	128,174	106,863
March	(195,636)	212,608	194,636	212,510
April	73,382	218,783	53,506	134,551
May	387,236	293,849	254,266	121,615
June	301,718	158,467	149,373	259,497
July	231,892	220,202	173,849	165,400
August	429,210	228,831	259,460	109,829
September	208,614	371,686	119,873	158,036
October	368,842	333,214	308,815	175,274
November	214,077	189,640	204,194	60,335
December	232,467	333,652	221,083	214,999
Total	\$2,795,625	\$2,926,422	\$2,191,055	\$1,844,533